

Governor's Budget 2007-08: Facilities

- With passage of Proposition 1D, the 2006 Education Bond Act, voters made a critical investment in the state's education infrastructure.
- Proposition 1D provided a total of \$10.4 billion to address critical facilities needs in the state's K-12 schools and public institutions of higher education.
- Looking toward the state's future infrastructure needs, the Governor proposes K-12 and higher education facilities bonds for the 2008 and 2010 ballots as part of his Strategic Growth Plan (SGP). The proposed 2008 and 2010 education bonds, taken together, total \$23.1 billion for K-12 and higher education.
- The SGP proposes \$11.6 billion in bond funding to support K-12 school facilities. These resources, combined with the \$7.3 billion approved for K-12 schools in Proposition 1D are projected to build an additional 32,000 classrooms to house approximately 826,000 students and renovate almost 79,000 classrooms to provide state-of-the-art facilities to over 2,000,000 students.
- In order to make statewide infrastructure planning fit within acceptable debt service ratios, the SGP proposes cost containment strategies for the K-12 bonds in 2008 and 2010. In addition, the Administration signals the need to consider alternatives to state funding for K-12 facilities commencing with 2012-13.

2006 Education Bond Act

Proposition 1D, the Kindergarten-University Public Education Bond Act of 2006, will provide a total of \$10.4 billion for K-12 and Higher Education facilities. Funds are allocated in the following manner:

K-12

Prop 1D will provide \$7.329 billion for K-12 facilities. Funds are allocated for the following purposes:

- | | |
|------------------------------|---------|
| • New construction | \$1.9 B |
| • Modernization | \$3.3 B |
| • Charter Schools | \$500 M |
| • Career Technical Education | \$500 M |
| • Overcrowded Schools | \$1B |
| • Green Schools | \$100 M |
| • Joint Use | \$29 M |
- Of the amounts listed above for new construction and modernization, \$200 million is available for small high schools and \$200 million is available for seismic safety.

Higher Ed

Prop 1D will provide \$3.087 billion for Higher Education facilities. Funds are allocated as follows:

- California Community Colleges \$1.507 B
- University of California \$890 M (includes \$200 M for UC Telemedicine programs)
- California State University \$690 M

2008 Education Bond

K-12

The SGP proposes \$6.47 billion for K-12 facilities in the 2008 bond. In order achieve necessary cost containment in the school facilities program, new construction grants will be reduced to reflect a 40% state share (versus the current 50% state share) and modernization grants will be reduced to reflect a 40% state share (versus the current 60% state share). These funds are proposes for the following purposes:

- New construction \$2.931 B
- Modernization \$1.539 B
- Charter Schools \$1.0 B
- Career Technical Education \$1.0 B

We project that these funds will build 12,800 new classrooms, housing approximately 330,000 students. In addition, proposed funds will renovate over 25,300 classrooms, providing state-of-the-art capacity for approximately 653,000 students.

Higher Ed

The SGP proposes a combined total of \$11.5 billion for higher education facilities in the 2008 and 2010 bonds. These funds are allocated as follows:

- University of California \$2.8 B
- California State University \$2.7 B
- California Community Colleges \$6.0 billion

2010 Education Bond

K-12

The SGP proposes \$5.13 billion for K-12 facilities in the 2010 bond. These resources are projected to meet program needs through 2012-13. Funds are proposes for the following purposes:

- New construction \$2.13 B
- Modernization \$1.0 B
- Charter Schools \$1.0 B
- Career Technical Education \$1.0 B

We project that these funds will build 9,300 new classrooms, housing approximately 241,000 students. In addition, proposed funds will renovate over 15,000 classrooms, providing state-of-the-art capacity for approximately 387,000 students.

Higher Ed

(See description in 2008 Bond section)

K-12 Needs Beyond 2012-13

- Over the long run, competing statewide infrastructure needs make current funding policies for K-12 school construction unsustainable within a prudent debt service ratio.
- The SGP as proposed would meet K-12 facilities needs through 2012-13.
- However, it will be necessary for schools to plan for additional bond measures and alternative financing strategies for financially trouble districts to ensure every student is housed in an appropriate classroom.
- The Administration commits to reviewing school facilities financing structures, including consideration of public-private partnerships, to ensure sustainable funding for school facilities in the long run.